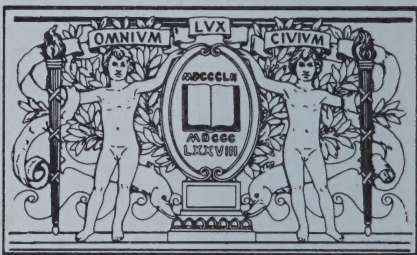
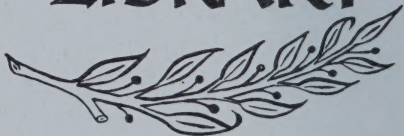


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**The
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Part Two

**The Solution of the
Economic
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'Socialism'

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Muammar Al Qathafi

THE GREEN BOOK

Part Two

The Solution of the

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THE ECONOMIC BASIS OF THE THIRD UNIVERSAL THEORY

Important historical developments have taken place which contribute to solving the problem of work and wages, i.e. the relationship between the workers and the employers, between the producers and the owners. The developments include fixed working-hours, wages for additional work, different types of leave, minimum wages, profit sharing and participation in administration. In addition, arbitrary dismissal has been outlawed and social security has been guaranteed, along with the right to strike and whatever other provisions are found in almost all modern labour laws. Of no less significance are the changes in the field of ownership such as the emergence of systems limiting income or outlawing private ownership and transferring it to the state.

Despite all these not inconsiderable developments in the history of the economic problem, nevertheless the

problem still basically exists. The modifications, improvements, provisions and other measures have made the problem less severe than it was in past centuries by gaining many advantages for the workers. Yet, the economic problem has not been solved. All the attempts which have concentrated on ownership have not solved the problem of producers. They are still wage-workers, even when ownership has been transferred from the extreme right to the extreme left or has been given various intermediate positions.

Attempts to improve wages are as important as those which lead to the transference of ownership. The benefits received by workers, guaranteed by legislation and protected by Trade Unions are all that have been achieved in tackling the problem of wages. Thus the hard conditions of the producers immediately after the Industrial Revolution have been transformed, and, in the course of time workers, technicians and administrators have gained previously unattainable rights. However, the economic problem still, in fact, exists.

This attempt confined to wages was certainly not a solution at all. It is an artificial attempt, aimed merely at reform, more of a charity than a recognition of the right of workers. Why are the workers given wages? Because they carry out a production process for the benefit of others who hire them to produce a certain product. In this case, they have not consumed their production, but have been obliged to surrender it for a wage. The sound rule is:

'He who produces is the one who consumes.'

Wage-workers are a type of slave, however improved their wages may be.

The wage-worker is like a slave to the master who hires him. He is even a temporary slave, since his slavery lasts as long as he works for wages from the employer, whether the latter is an individual or a state. The workers' relationship with the owner of the productive establishment as regards their own interests is one and the same . . . Under all conditions prevailing now in the world they are wage-workers,

even though ownership varies . . . from the right to the left. The public economic establishment itself gives to its workers only wages and other social benefits; and these do not differ from the charity granted to the workers by the rich, the owners of private economic corporations.

The argument that, in the case of public ownership, income reverts to society, including the workers, in contrast to the case of the private corporation where income reverts only to its owner, is valid. This is so provided that we take into consideration the general interests of the society rather than the particular interests of the workers, and provided that we assume that the political authority which monopolizes ownership is the authority of all the people; that is to say the authority of the people in their entirety, as practised through their popular congresses, people's committees and professional syndicates rather than the authority of one class, one party, group of parties, sect, family, tribe, individual or any other representative authority. However, what is received directly by

the workers, as regards their own interests, in the form of wages, percentage of the profit or social benefits, is the same as is received by the workers in the private corporation. That is to say, workers in both public and private establishments are equally wage-workers though the owners differ. Thus the change in ownership from one type to another has not solved the problem of the workers' right in what has been produced directly by himself, and not by society or for wages. The proof is that the producers are still wage-workers despite the change in ownership.

The ultimate solution is to abolish the wage-system, emancipate man from its bondage and return to the natural law which defined relationships before the emergence of classes, forms of government and man-made laws. The natural rules are the measure, the reference book and the sole course in human relations.

Natural law has led to natural socialism based on equality among the economic factors of production and has almost brought about, among indi-

viduals, consumption equal to nature's production. But the exploitation of man by man and the possession by some individuals of more of the general wealth than they need is a manifest departure from natural law and the beginning of distortion and corruption in the life of the human community. It is the beginning of the emergence of the society of exploitation.

If we analyse the economic factors of production from ancient times till now we always find that they are composed of these essentials: raw materials, an instrument of production and a producer. The natural rule of equality is that each of the factors has a share in this production, for if any of them is withdrawn, there will be no production. Each factor has an essential role in the process of production and without it production comes to a halt. As long as each factor is essential and fundamental, they are all equal in their essential character within the process of production. Therefore they all should be equal in their right to what is produced. The encroachment of one factor on another is opposed to the natural rule of equal-

ity, and is an attack on the right of others. Each factor, then, has a share regardless of the number of factors. If we find a process of production which can be performed by only two factors, each factor shall have half of the production. If it is carried out by three factors, each shall have a third of the production and so on . . .

Applying this natural rule to both ancient and modern situations we find the following:

In the state of manual production the productive process involved raw materials, and man, the producer. Later, an instrument of production intervened between the two and man used it in the productive process. The animal may be considered as an example of the instrument as a power unit. It, then, developed and the machine replaced the animal. Raw materials increased in kind and quantity, from cheap simple materials to valuable complex ones. Likewise man developed from an ordinary worker into a technician and an engineer and a large number of workers began to be replaced by a few technicians. Although the factors of

production have quantitatively and qualitatively changed, the essential role of each factor has not changed. For example, the iron-ore which is one of the factors of production, both past and present, was primitively manufactured by the ironsmith to produce a knife, an axe or a spear . . . etc. The same iron-ore is now manufactured in big furnaces, and from it engineers and technicians produce machines, engines and all kinds of vehicles. The animal — the horse, the mule or the camel and the like — which was one of the factors of production has now been replaced by the vast factory and huge machines. The means of production which were formerly primitive tools have now become sophisticated technical equipment. The essential natural factors of production are basically stable despite their great development. The essential stability of the factors of production makes the natural rule sound. It is inevitable, after the failure of all previous historical attempts, which disregarded natural law, to return to it in order, finally, to solve the economic problem

The previous historical theories tackled the economic problem either from the angle of the ownership of one of the factors of production only or from the angle of wages for production only. They have not solved the real problem, namely the problem of production itself. Thus the most important characteristic of the economic systems prevailing in the world today is the wage system which deprives the worker of any right in his production whether it is produced for society or for a private establishment.

The industrial establishment is based on raw materials, machines and workers. Production is the outcome of the workers' use of the machines in the factory to manufacture raw materials. In this way, the finished goods pass through a process of production which would have been impossible without the raw materials, the factory and the workers. So if we take away the raw materials, the factory cannot operate; if we take away the factory, the raw materials will not be manufactured and if we remove the producers, the factory comes to a halt. The three

factors are equally essential in the process of production. Without these three factors there will be no production. Any one factor cannot carry out this process by itself. Even two of these factors cannot carry it out. The natural rule in this case requires that the shares of the three factors in the production be equal, i.e. the production of such a factory is divided into three shares, a share for each of the factors of production. It is not only the factory which is important, but also those who consume its production.

The same is the case in the process of agricultural production. That which involves man and land without a third factor, the instrument, is exactly like the manual process of industrial production. Here production is only divided into two shares in accordance with the number of factors of production. But if an agricultural machine or the like is used, production is divided into three shares: the land, the farmer and the instrument used in the process of agriculture.

Thus a socialist system is established to which all processes of produc-

tion are subjected, by analogy with this natural rule.

The producers are the workers. We call them 'producers' because the words 'workers', 'employees' or 'toilers' are no longer applicable. The reason is that workers, according to the traditional definition, are quantitatively and qualitatively changing. The working class is continually declining as science and machines develop.

Strenuous tasks which previously had to be performed by a number of workers are now done by machines. To run a machine requires a smaller number of workers. This is the quantitative change in the labour force, while the qualitative change necessitated the replacement of a physical force by technical skill.

A power which is totally concerned with producing has now become one of the factors of production. As a result of these developments the workers have changed from a multitude of ignorant toilers into a limited number of technicians, engineers and scientists. Consequently, Trade Unions will disappear to be replaced by professional and

technical syndicates because scientific development is an irreversible gain to humanity. Through such scientific development, illiteracy will be eradicated and the ordinary worker as a temporal phenomenon will gradually disappear. However, man, in his new form, will always remain an essential factor in the process of production.

NEED

Man's freedom is lacking if somebody else controls what he needs. For need may result in man's enslavement of man. Need causes exploitation. Need is an intrinsic problem and conflict grows out of the domination of man's needs.

The *house* is a basic need of both the individual and the family. Therefore, it should not be owned by others. There is no freedom for a man who lives in another's house, whether he pays rent or not. All attempts made by various countries to solve the problem of housing are not solutions at all. The reason is that those attempts do not aim at the radical and ultimate solution of man, which is the necessity of his owning his own house. The attempts have concentrated on the reduction or increase of rent and its standardization, whether at public or private expense. In the socialist society no one, including the society itself, is allowed to have control over man's need.

A person in
need is a
slave indeed

Masters in
their own
castles

No one has the right to build a house, additional to his own and that of his heirs, for the purpose of renting it, because the house represents another person's need, and building it for the purpose of rent is an attempt to have control over the need of that man and 'In Need Freedom is Latent'.

The *income* is an imperative need for man. Thus the income of any man in the society should not be a wage from any source or a charity from anyone. For there are no wage-workers in the socialist society, only partners. Your income is a form of private ownership. You manage it by yourself either to meet your needs or to share in the production, where you are one of its main factors. Your share will not be used as a wage paid for any person in return for production.

The *vehicle* is a necessity both to the individual and the family. Your vehicle should not be owned by others. In the socialist society no man or any other authority can possess private vehicles for the purpose of hiring them out, for this is domination of the needs of others.

LAND

Land is no one's property. But everyone has the right to use it, to benefit from it by *working, farming or pasturing*. This would take place throughout a man's life and the lives of his heirs, and would be through his own effort without using others, with or without wages, and only to the extent of satisfying his own needs.

If possession of land is allowed, only those who are living there have a share in it. The land is permanently there, while, in the course of time, users change in *profession, in capacity* and in their *presence*.

The purpose of the new socialist society is to create a society which is happy because it is free. This can be achieved through satisfying the material and spiritual needs of man, and that, in turn, comes about through the liberation of these needs from outside domination and control.

Satisfaction of these needs must be attained without exploiting or enslaving others, or else, it will contradict the purpose of the new socialist society.

Man in the new society works for himself to guarantee his material needs, or works for a socialist corporation in whose production he is a partner, or performs a public service to the society which provides his material needs.

Economic activity in the new socialist society is productive activity for the satisfaction of material needs. It is not unproductive activity or an activity which seeks profit in order, after satisfying material needs, to save the surplus. That is impossible under the rules of the new socialism.

The legitimate purpose of the individual's economic activity is solely to satisfy his needs. For the wealth of the world has limits at each stage as does the wealth of each individual society. Therefore no individual has the right to carry out economic activity in order to acquire more of that wealth than is necessary to satisfy his needs, because the excess amount belongs to other individuals. He has the right to save from his needs and from his own production but not from the efforts of others nor at the expense of their

needs. For if we allow economic activity to extend beyond the satisfaction of needs, one person will only have more than his needs by preventing another from obtaining his. The savings which are in excess of one's needs are another person's share of the wealth of society.

To allow private production for the purpose of acquiring savings that exceed the satisfaction of needs is exploitation itself, as in permitting the use of others to satisfy your own needs or to get more than your own needs. This can be done by exploiting a person to satisfy the needs of others and making savings for others at the expense of his needs.

Work for a wage is, in addition to being an enslavement of man as mentioned before, work without incentives because the producer is a wage-worker rather than a partner.

Whoever works for himself is certainly devoted to his productive work because his incentive to production lies in his dependence on his private work to satisfy his material needs. Also whoever works in a socialist corpora-

tion is a partner in its production. He is, undoubtedly, devoted to his productive work because the impetus for devotion to production is that he gets a satisfaction of his needs through production. But whoever works for a wage has no incentive to work.

Work for wages failed to solve the problem of increasing and developing production. Work, either in the form of services or production, is continually deteriorating because it rests on the shoulders of wage-workers.

EXAMPLES OF LABOUR FOR WAGES FOR SOCIETY, OF LABOUR FOR WAGES FOR A PRIVATE ACTIVITY, AND LABOUR FOR NO WAGES

First Example:

(a) A worker who produces ten apples for society. Society gives him one apple for his production. The apple fully satisfies his needs.

(b) A worker who produces ten apples for society. Society gives him one apple for his production. The apple is not enough to satisfy his needs.

Second Example:

A worker who produces ten apples for another person and gets a wage of less than the price of one apple.

Third Example:

A worker who produces ten apples for himself.

THE CONCLUSION

The first (a) will not increase his production for whatever the increase might be, he will only get an apple for himself. It is what satisfies his needs. Thus all those working for such a society are always psychologically apathetic.

The first (b) has no incentive to production itself, for he produces for the society without obtaining satisfaction of his needs. However he has to continue to work without incentive because he is forced to submit to the general conditions of work throughout the society. That is the case with members of that society.

The second does not initially work to produce. He works to get wages. Since his wages are not enough to satisfy his needs, he will either search for another

master and sell him his work at a better price or he will be obliged to continue the same work just to survive.

The third is the only one who produces without apathy and without coercion. In the socialist society, there is no possibility for private production exceeding the satisfaction of individual needs, because satisfaction of needs at the expense of others is not allowed. As the socialist establishments work for the satisfaction of the needs of society, the third example explains the sound basis of economic production. However, in all conditions, even in bad ones, production continues for survival. The best proof is that in capitalist societies production accumulates and expands in the hands of a few owners who do not work but exploit the efforts of toilers who are obliged to produce in order to survive. However, *The Green Book* not only solves the problem of material production but also prescribes the comprehensive solution of the problems of human society so that the individual may be materially and spiritually liberated . . . a final liberation to attain his happiness.

Other Examples:

If we assume that the wealth of society is ten units and its population is ten persons, the share of each in the wealth of society is $10/10$ — only one of the units per person. But if some members of society possess more than one unit, then other members of the same society possess nothing. The reason is that their share of the units of wealth has been taken by others. Thus, there are poor and rich in the society where exploitation prevails.

Suppose that five members of that society possess two units each. In this case the other five possess nothing, i.e., 50 per cent are deprived of their right to their own wealth because the additional unit possessed by each of the first five is the share of each of the second five.

If an individual in that society needs only one of the units of the wealth of society to satisfy his needs then the individual possessing more than one unit is, in fact, expropriating the right of other members of the society. Since this share exceeds what is required to satisfy his needs, estimated at one of

the units of wealth, then he has seized it to hoard it. Such hoarding is only achieved at the expense of others' needs, i.e., through taking others' share in this wealth. That is why there are those who hoard and do not spend — that is, they save what exceeds the satisfaction of their needs — and there are those who beg and are deprived — that is those who ask for their rights in the wealth of their society and do not find anything to consume. It is an act of plunder and theft, but open and legitimate under the unjust and exploitative rules which govern that society.

Ultimately, all that is beyond the satisfaction of needs should remain the property of all the members of society. But individuals only have the right to save as much as they want from their own needs, because the hoarding of what exceeds their needs involves an encroachment on public wealth.

The skilful and industrious have no right to take hold of the share of others as a result of their skill and industry. But they can benefit from these advantages. Also if a person is disabled or lunatic, it does not mean that he does

not have the same share as the healthy in the wealth of the society.

The wealth of the society is like a corporation or a store of supply which daily provides a number of people with a quantity of supply of a definite amount which is enough to satisfy the needs of those people during that day. Each person has the right to save out of that quantity what he wants, i.e., he can consume or save what he likes from his share. In this he can use his own skill and talents. But he who uses his talents to take an additional amount for himself from the store of the public supply is undoubtedly a thief. Therefore, he who uses his skill to gain wealth that exceeds the satisfaction of his needs is, in fact, encroaching on a public right, namely, the wealth of the society which is like the store mentioned in this example.

In the new socialist society differences in individual wealth are only permissible for those who render a public service. The society allocates for them a certain share of the wealth equivalent to that service.

The share of individuals only differs

according to the public service each of them renders, and as much as he produces. Thus, the experiments of history have produced a new experiment, a final culmination of man's struggle to attain his freedom and to achieve happiness by satisfying his needs, warding off the exploitation of others, putting an ultimate end to tyranny and finding a means for the just distribution of society's wealth. Under the new experiment you work for yourself to satisfy your needs rather than exploiting others to work for you, in order to satisfy yours at their expense; or working to plunder the needs of others. It is the theory of the liberation of needs in order to emancipate man.

Thus the new socialist society is no more than a dialectical consequence of the unjust relations prevailing in this world. It has produced the natural solution, namely private ownership to satisfy the needs without using others, and socialist ownership, in which the producers are partners in production. The socialist ownership replaced a private ownership based on the produc-

tion of wage-workers who had no right in what they produced.

Whoever possesses the house you dwell in, the vehicle you ride or the income you live on, takes hold of your freedom, or part of your freedom, and freedom is indivisible. For man to be happy, he must be free, and to be free, man must possess his own needs.

Whoever possesses your needs controls or exploits you. He may enslave you despite any legislation outlawing that.

The material needs of man that are basic, necessary and personal, start with food, housing, clothing and transport . . . These must be within his private and sacred ownership. They are not to be hired from any quarter. To obtain them through rent or hire allows the real owners, even society in general, to interfere in his private life, to have control over his basic needs, and then to dominate his freedom and to deprive him of his happiness. The owner of the costumes one has hired could interfere to remove them even in the street and leave one naked. The owner of the vehicle could interfere,

leaving one in the middle of the road. Likewise, the owner of the house could interfere, leaving one without shelter.

It is ironic that man's basic needs are treated by legal administrative or other measures. Fundamentally, society must be founded on the application of the natural law to these needs.

The purpose of the socialist society is the happiness of man which can only be realized through material and spiritual freedom. Attainment of such freedom depends on the extent of man's ownership of his needs; ownership that is personal and sacredly guaranteed, i.e., your need must neither be owned by somebody else, nor subject to plunder by any part of society. Otherwise, you will live in a state of anxiety which will take away your happiness and render you unfree, because you live under the apprehension of outside interference in your basic needs.

The overturning of contemporary societies, to change them from being societies of wage-workers to societies of partners is inevitable as a dialectical result of the contradictory economic theses prevailing in the world today,

and is the inevitable dialectical result of the injustice to relations based on the wage system, which have not been solved.

The threatening power of the Trade Unions in the capitalist world is capable of overturning capitalist societies of wage-workers into societies of partners.

It is probable that the outbreak of the revolution to achieve socialism will start with the appropriation by the producers of their share in what they produce. The objective of the workers' strikes will shift from a demand for the increase of wages to a demand for sharing in the production. All that will, sooner or later, take place under the guidance of *The Green Book*.

But the final step is when the new socialist society reaches the stage where profit and money disappear. It is through transforming society into a fully productive society and through reaching, in production, the level where the material needs of the members of society are satisfied. In that final stage profit will automatically disappear and there will be no need for money.

The recognition of profit is an acknowledgement of exploitation. The mere recognition of profit removes the possibility of limiting it. Measures taken to put a limit to it through various means are mere attempts at reform, which are not radical, in order to stop man's exploitation by man.

The final solution is the abolition of profit. But as profit is the driving force of economic activity, its abolition is not a decision that can be taken lightly. It must result from the development of socialist production which will be achieved if the satisfaction of the material needs of society is realised. The endeavour to increase profit will ultimately lead to its disappearance.

DOMESTIC SERVANTS

A servant
and prisoner
are comrades
in chains

Domestic servants, paid or unpaid, are a type of slave. Indeed they are the slaves of the modern age. But since the new socialist society is based on partnership in production rather than on wages, natural socialist law does not apply to them, because they render services rather than production. Services have no physical production which is divisible into shares in accordance with natural socialist law. Domestic servants, therefore, have no alternative but to work with or without wages under bad conditions. As wage-workers are a type of slave and their slavery exists as long as they work for wages, so domestic servants are in a lower position than the wage-workers in the economic establishments and corporations outside the houses. They are, then, even more entitled to emancipation from the slavery of the society than are wage-workers from their society. Domestic servants form one of the social phenomena that stands next to

that of slaves. The Third Universal Theory is a herald to the masses announcing the final salvation from all fetters of injustice, despotism, exploitation and economic and political hegemony. It has the purpose of establishing the society of all people, where all men are free and equal in authority, wealth and arms, so that freedom may gain the final and complete triumph.

The Green Book, therefore, prescribes the way of salvation to the masses of wage-workers and domestic servants in order to achieve the freedom of man. It is inevitable, then, to struggle to liberate domestic servants from their slave status and transform them into partners outside the houses, in places where there is material production which is divisible into shares according to its factors. The house is to be served by its residents. But the solution to necessary house service should not be through servants, with or without wages, but through employees who can be promoted while performing their house jobs and can enjoy social and material safeguards like any employee in the public service.

The Green Book, Part II concentrates on finding an ultimate solution to the world's economic problems. For many years, we have all been torn by conflicting kinds of theories, whether of liberalism, communism or capitalism.

After directing his attention to purely political matters as he did in Part I of ***The Green Book*** Colonel Muammar Al-Qathafi, the Leader of the Great 1st of September Revolution, now offers his conclusions on the way in which the world's economic problems can be solved.

The author preaches the emancipation of servants in a social revolution against need, which has made them the serfs of the twentieth century.

He emphasises the necessity for the partnership of all workers in the means of production, liberating them finally from exploitation.

This is a book not only for intellectuals and economists. Its serious analysis of a complex subject deserves to be read in all parts of the world where man lives in economic disorder, often in dire poverty.

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